TOP

INPUT

Atrium at Glenpointe, 400 Frank W. Burr Blvd., Teaneck, NJ 07666 Tel. (201) 801-0050
Fax (201) 801-0441

December 29, 1992

Ms. Lisa Lane/Ms. Susan Erdman
Andersen Consulting
Chicago, IL

Via fax: 312-507-1043

Dear Lisa and Susan:

Thank you again for arranging the very useful meeting in Chicago last week. It certainly helped me to clarify your needs.

I have attached two proposals

- A "quantitative" one, which also includes an option for the material which could be prepared subsequent to January 15. I set this latter date to be February 15, but it could be adjusted.
- A "qualitative" study, whose issues could be modified or expanded somewhat without any effect on time or cost.

Please call me if you have any questions or comments.

Sincerely,

Thomas O'Flaherty
Vice President

a:prop2:AND12-29

cc. Tom Moldauer

INPUT

Proposal for

Providing Quantitative Information on Application Software and Services Markets

Submitted to:

ANDERSEN CONSULTING

December 29, 1992

Submitted by:

INPUT

The Atrium at Glenpointe
400 Frank W. Burr Boulevard
Teaneck, New Jersey 07666
201-801-0050
Fax: 201-801-0441

INPUT

PROVIDING QUANTITATIVE INFORMATION ON APPLICATION SOFTWARE AND SERVICES MARKETS

I. BACKGROUND AND OBJECTIVES

Andersen Consulting has requested that INPUT provide quantitative data on software and services in several vertical markets.

- Attachment 1 shows the data requested (asterisked items)
- Attachment 2 shows Andersen's prioritization of its data needs
- Attachment 3 defines the vertical markets, primarily by SIC codes

The materials above and the contents of this proposal were reviewed by Andersen and INPUT at a meeting in Chicago on December 21, 1992.

II. SCOPE

INPUT can provide the items marked "A" on Attachment 2 by January 15, 1993 and items marked "B" by February 15. INPUT is not proposing to supply the item in "C" for reasons of time and cost. (These dates assume an authorization to proceed by January 4, 1992.)

The quantitative items can be provided in detail through 1997. INPUT will provide indicative numbers through 2000.

III. FEE

"A" Items

INPUT's professional fee for the study will be $14,000.

One-half of INPUT's professional fee for the study ($7,000) is due and payable upon authorization of the study; the remainder at the time of the presentation of results.

Out-of-pocket expenses (telephone, production, and travel) are expected to be minimal and are included in the fee.

"B" Items

INPUT's professional fee for the study will be $23,000. (This is additive to "A" above.)

One-half of INPUT's professional fee for the study ($11,500) is due and payable upon authorization of the study; the remainder at the time of the presentation of results.

Out-of-pocket expenses (telephone, production, and travel) are expected to be minimal and are included in the fee.

This proposal will remain valid for thirty days, unless extended in writing.

To authorize the study, please check the option(s) you wish to exercise and sign the appropriate block below.

AUTHORIZATION

To authorize the project as specified please check the option(s) you wish to exercise, then sign and return one copy of this proposal, along with the initial fee. Upon acceptance by INPUT, a countersigned copy of the proposal will be returned to Andersen Consulting.

OPTIONS

"A" Items _____

"B" Items _____

AUTHORIZED BY:	ACCEPTED BY:
Andersen Consulting	**INPUT**
Name _____	Name _____
Title _____	Title _____
Date _____	Date _____

AH 1

Exhibit D-1

Information Services Market
User Expenditure Forecast by Delivery Mode and Submode
Western Europe, 1991-1996

	ECU Million (Rounded)								
Delivery Modes	1990	1990 1991 Growth (%)	1991	1992	1993	1994	1995	1996	1991 1996 CAGR (%)
Information Services Market Total	49200	14	55900	64200	73300	84500	97300	111700	15
Processing Services	6400	7	6850	7370	7910	8520	9130	9740	7
- Transaction Processing	5730	7	6110	6550	7010	7550	8070	8600	7
- Utility Processing	195	3	200	210	215	225	230	240	4
- Other Processing	485	10	535	600	670	740	815	910	11
Turnkey Systems	7900	14	9000	10300	11900	13700	15700	17700	14
- Equipment	4160	10	4590	5130	5710	6360	6970	7670	11
- Application Software	1580	18	1860	2250	2710	3210	3870	4460	19
- System Software	215	12	240	270	305	345	385	430	12
- Professional Services	1940	19	2310	2690	3180	3760	4450	5190	18
Application S/W Product	5600	18	6600	7700	9100	10800	12700	15200	18
- Mainframe	710	4	735	625	655	675	695	865	3
- Minicomputer	1850	14	2110	2440	2810	3180	3580	4060	14
- Workstation/PC	3020	23	3710	4590	5600	6910	8440	10280	23
System Software Product	8400	10	9200	10200	11400	12700	14100	15700	11
- Mainframe	4320	4	4500	4700	4890	5090	5280	5410	4
- Minicomputer	2540	12	2850	3240	3650	4130	4620	5190	13
- Workstation/PC	1500	23	1850	2280	2820	3440	4210	5120	23
Professional Services	15200	14	17400	20500	23400	27200	31500	36400	16
- IS Consulting	2160	12	2420	2830	3350	3940	4510	5210	17
- Custom Software	11500	14	13100	15500	17600	20500	23800	27500	16
- Education & Training	1650	15	1890	2140	2460	2810	3230	3710	14
Network Services	2940	18	3460	4070	4830	5810	7010	8480	20
- Electronic Info Svcs	2150	13	2430	2730	3090	3510	3990	4570	13
- Network Applications	790	29	1020	1330	1740	2290	3020	3910	31
Systems Operations	890	22	1090	1320	1580	1920	2300	2740	20
- Platform Operations	505	22	615	735	870	1045	1240	1460	19
- Application Operations	385	22	470	580	710	875	1060	1285	22
Systems Integration	1970	20	2360	2770	3320	3970	4740	5640	19
- Equipment	800	15	920	1050	1210	1390	1600	1840	15
- Application Software	71	24	88	106	131	173	216	275	26
- System Software	59	12	66	84	100	123	155	182	22
- Professional Services	1000	24	1240	1480	1810	2200	2660	3230	21
- Other	51	4	53	57	68	80	98	110	16.L

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A 2

PRIORITIZED EXPECTATIONS PHASE 1 (QUANTITATIVE)

Phase 1 - Quantitative Research **Completion Date 1/15/93**

Overall Request: All information generated should only include expenditure estimates from companies greater than 50 million dollars. If this filter criterion of >50 million would require a significant amount of time causing us to miss the January 15 deadline, it would become low priority.

High Priority

User Expenditure Forecast by Delivery Mode and Submode (exhibit D-1) document for the following :

United States:

D-1 for each 2 digit SIC code identified by AC

D-1 for Information Services Market

Europe:

D-1 for Information Services Market (each major country or Europe as a whole)

Asia/Other:

D-1 for Information Services Market (each major country)

Medium Priority

United States:

D-1s for Mfg and Dist industries as a whole (2 of 4 major categories; mfg, govt,fin,dist)

D-1 for industrial, consumer, process/energy groups.*

Europe:

D-1s for Mfg and Dist industries as a whole (2 of 4 major categories)

D-1 for industrial, consumer, process/energy groups.**

Asia/Other:

D-1s for Mfg and Dist industries as a whole (2 of 4 major categories)

D-1 for industrial, consumer, process/energy groups.**

A

B

Not proposed C

Low Priority

Extend macro numbers (industrial, consumer, process/energy) for countries worldwide to the year 2000.

* AC will provide a list of 2 digit SIC codes that comprise these three groupings.

** We understood from our conversation that these groupings don't exist in your standard database, but projections on these macro level numbers was feasible by Jan 15.

Att 3

INDUSTRIAL

AUTOMOTIVE — Suppliers
~~37XX~~
3714

ctrical/ ELECTRONICS (1)
38xx 36XX — exclude semiconductor

HEAVY EQUIP/CONST.
15XX?
16XX?
17XX?

lustrial/ CONSUMER MFG
23XX?
25XX?
27XX?
31XX?
34XX?
35XX?

CONSUMER

FOOD & CPG (2)
20XX
21XX

WHOLESALE
50XX
51XX

PROCESS

CHEMICAL
28XX?
ex 283

PHARMACEUTICAL
~~28XX?~~
283

Split (4-digit)

(1) Exclude 367x (Components)

(2) CPG — will be scoped by taking Business Week "Personal Care" segment (see attached) as a percent of overall Mfg

U.S. Companies Ranked by Industry

	COMPANY	MARKET VALUE			SALES			PROFITS			ASSETS			RETURN	
		TOP 1000 RANK	$ MIL	CHANGE FROM 1991 %	12 MONTHS 1991 $ MIL	CHANGE FROM 1990 %	12 MONTHS 1991 $ MIL	CHANGE FROM 1990 %	12 MONTHS 1991 $ MIL	CHANGE FROM 1990 %	ON INVESTED CAPITAL %	ON COMMON EQUITY %
6	**CONSUMER PRODUCTS**											
	INDUSTRY COMPOSITE		297210	19	211006	8	14079.6	13	212714	5	14.4	21.7
	6A APPAREL											
	GROUP COMPOSITE		20314	38	14133	16	1160.3	18	9781	9	19.6	22.1
1	NIKE	146	5375	36	3212	20	305.3	6	1746	19	25.8	25.5
2	LIZ CLAIBORNE	218	3428	−12	2007	16	222.7	8	1072	19	NA	25.3
3	REEBOK INTERNATIONAL	251	2991	8	2734	27	234.7	33	1431	2	23.7	30.6
4	FRUIT OF THE LOOM	308	2504	206	1514	5	82.7	−11	2131	−1	NA	12.9
5	VF	324	2409	63	2952	13	161.3	99	2127	15	13.4	19.1
6	RUSSELL	471	1496	42	805	13	56.8	−16	818	3	10.3	11.8
7	STRIDE RITE	482	1461	48	574	11	66.0	19	332	25	27.1	27.4
8	JONES APPAREL GROUP	782	710	NA	334	16	30.8	65	123	NA	38.8	42.8
	6B APPLIANCES & HOME FURNISHINGS											
	GROUP COMPOSITE		15235	32	21116	2	597.8	−11	18210	4	6.8	8.2
1	MASCO	196	4002	20	3141	−2	44.9	−68	3786	1	3.3	2.5
2	WHIRLPOOL	255	2967	55	6770	2	170.0	136	6162	7	NA	11.4
3	MAYTAG	378	1967	33	2971	−3	79.0	−20	2535	−2	7.1	7.8
4	CIRCUIT CITY STORES	462	1516	87	2628	13	60.9	−8	1204	18	13.8	15.2
5	ARMSTRONG WORLD INDUSTRIES	548	1183	18	2439	−3	60.6	−59	2140	1	6.2	6.5
6	LEGGETT & PLATT	742	759	34	1082	−1	39.4	34	656	−3	9.4	12.2
7	ROYAL APPLIANCE MFG.	801	687	NA	273	128	27.4	299	121	96	NA	NA
8	NEILIG-MEYERS	862	608	110	487	11	24.2	16	586	14	9.8	9.4
9	NATIONAL PRESTO INDUSTRIES	903	564	68	162	27	36.7	26	254	8	16.5	16.7
10	KIMBALL INTERNATIONAL	960	502	17	553	−6	29.9	−24	396	4	9.9	9.8
11	LA-Z-BOY CHAIR	979	480	34	610	0	24.9	−4	370	5	9.6	10.6
	6C BEVERAGES											
	GROUP COMPOSITE		91630	17	49347	8	3721.4	4	48811	11	15.6	21.9
1	COCA-COLA	6	52411	50	11572	13	1618.0	17	10222	10	33.3	38.3
2	PEPSICO	15	25054	−2	19608	10	1080.2	−1	18783	10	12.0	20.8
3	ANHEUSER-BUSCH	39	15619	17	10996	2	939.8	12	9960	4	15.6	21.8
4	BROWN-FORMAN	365	2063	1	1203	9	141.9	−1	1223	15	18.4	20.5
5	COCA-COLA ENTERPRISES	408	1767	−11	4051	0	−82.4	NM	6677	33	NM	−6.5
6	ADOLPH COORS	776	716	−18	1917	4	23.9	−39	1952	16	NA	2.1
	6D PERSONAL CARE											
	GROUP COMPOSITE		67910	20	50421	8	3138.3	−5	40016	10	15.3	23.4
1	PROCTER & GAMBLE	10	33558	11	28229	9	1787.0	3	23733	15	15.7	25.4
2	GILLETTE	58	10483	38	4684	8	427.4	16	3543	5	27.5	41.6
3	COLGATE-PALMOLIVE	112	6322	27	6060	6	124.9	−61	4324	7	7.3	11.6
4	INTERNATIONAL FLAVORS & FRAGRANCES	197	3960	22	1017	6	168.7	8	1217	8	18.9	18.3
5	AVON PRODUCTS	226	3345	36	3593	4	210.7	8	1729	−16	NA	76.5
6	TAMBRANDS	292	2629	8	661	5	79.0	−19	382	−1	31.2	31.5
7	CLOROX	301	2547	18	1679	8	62.2	−56	1484	−4	7.6	7.6
8	ECOLAB	598	1040	66	918	−9	55.7	−4	1220	21	8.4	9.1
9	BLOCK DRUG	610	1012	17	549	11	56.4	11	618	16	12.5	13.1
10	ALBERTO-CULVER	807	681	−7	930	15	31.5	−14	562	32	9.5	12.1
11	STANHOME	825	658	−18	710	5	45.1	−12	419	7	21.4	20.2
12	NEUTROGENA	887	580	36	239	13	22.1	60	159	17	20.0	20.8

INPUT

Proposal for

Providing Qualitative Information on Buyer Values in the Application Software Market

Submitted to:

ANDERSEN CONSULTING

December 29, 1992

Submitted by:

INPUT

The Atrium at Glenpointe
400 Frank W. Burr Boulevard
Teaneck, New Jersey 07666
201-801-0050
Fax: 201-801-0441

PROVIDING QUALITATIVE INFORMATION ON BUYER VALUES IN THE APPLICATION SOFTWARE MARKET

I. BACKGROUND AND OBJECTIVES

Andersen Consulting needs to understand specific buyer values toward applications software in both the U.S. and Europe.

II. SCOPE

Andersen has identified the following buyer values as requiring research:

- What are buyer attitudes (and tradeoffs) between applications software products vis-a-vis services (consulting, professional services or systems integration services)? This can include using/acquiring only products or only services or some combination.
  - What motivates a prospect to select different combinations or products and services?
  - To what extent do the selection and acquisition processes differ?
  - What changes are expected?
- What is the acceptability of "black box" solutions in such functional areas as high volume transaction processing, decision support systems, real time applications, groupware, etc.? Is the acceptability of "black box" solutions affected by other factors such as size or importance of the applications, or the familiarity of key decisionmakers with technology?
- To what extent are these factors affected by size of company? By type of application?
- Are there differences between the U.S. and Europe?

Note: This list may be expanded somewhat at the time of project initiation.

III. METHODOLOGY AND CONDUCT OF THE WORK

INPUT will conduct this study by means of structured telephone interviews in the U.S. and Europe. Seventy-five interviews will be conducted in the U.S. and 75 in Europe. This size sample has been selected so that conclusions can be drawn for medium-sized and large companies in both the U.S. and Europe.

- The European interviews will cover the U.K., France, Germany, Spain and Italy.
- Interviews will be divided between companies in the $50-150 million revenue range and those larger than $150 million.
- U.S. interviews will focus on manufacturing firms (including wholesale distribution).
- European interviews will also include the health and utilities sectors.

INPUT will draft the questionnaire for Andersen's review and comments. INPUT will test the questionnaire and adjust it if necessary.

Andersen's sponsorship of the study will not be revealed to respondents. Respondent identities will not be associated with specific data. If Andersen desires, copies of completed questionnaires with identifiers removed will be supplied to Andersen upon the completion of the project. As an incentive to take part, respondents will be offered a summary of the project's results; this summary will be cleared with Andersen before release.

INPUT will analyze the results and prepare a written report.

IV. SCHEDULE

The following shows the proposed timing for the project.

Week	Activity
1	INPUT prepares questionnaire; Andersen reviews
2	Interviewing begins
4	Interviewing ends; U.S. data analyzed
5	European data analyzed; Report prepared

V. FEES

INPUT's professional fee for the study will be $25,000.

One-half of INPUT's professional fee for the study ($12,500) is due and payable upon authorization of the study; the remainder at the time of the presentation of results.

Out-of-pocket expenses (primarily telephone and production) are in addition to the professional fees and will be billed at cost. INPUT does not expect these to exceed $3,000.

This proposal will remain valid for thirty days, unless extended in writing.

AUTHORIZATION

To authorize the project as specified please sign and return one copy of this proposal, along with the initial fee. Upon acceptance by INPUT, a countersigned copy of the proposal will be returned to Andersen Consulting

AUTHORIZED BY:	ACCEPTED BY:
Andersen Consulting	**INPUT**
Name _____	Name _____
Title _____	Title _____
Date _____	Date _____

TOF-
Is this
1 or 2 projects?
YB

ORDER/INVOICE/FULFILLMENT

Accg. ONLY

Inv. Comp.	By:	Date:	Client #	Order #	Inv. #	Multi-Invoicing ___ of ___

CUSTOMER/INVOICE TO

ORIGINATOR (Signature) _____ DATE 3/3/92

Company Andersen Consulting
Name Mr./Ms. Lisa Lane
Position
Address 69 W Washington
City Chicago
Province
Phone 312-507-5553

CA Tax Rate
CT Tax 8%
Salutation
State IL
Zip 60602
Country
Fax 507-1043
Tlx

APPROVALS
VP Sales/Res. _____
Date _____
Controller _____
Date _____

Special instructions for invoicing, progress billing, or delayed payments, etc.
Bill at end

ORDER

Contract Year Beg. _____
End _____

❑ New Order (N1) ❑ Prior Yr (N3)
❑ Renewal (N2) ❑ Cancel

Invoice Type ❑ Fulfillment Only ❑ W/Order (OR) ❑ Monthly (MO) ❑ Quarterly (QT) ❑ Pending

Employee # Sold by:		Employee # Commission to:	
[illegible]	100 %		%
	%		%
	%		%

CLIENT AUTH.

PO# _____ INPUT Contract ❑ Letter ☒ Verbal ❑
Attach all authorizing documents to white (contract) copy.

SHIP TO

Company
Name Mr./Ms. Same
Position
Address
City
Province
Salutation
State
Zip
Country
Phone

ITEM TYPE

- Subscription (SB)
- Custom (YC/ZC/KC)VC
- Multiclient (MC)
- Reports (RP)
- Copies (CP)
- Consult/Present (PR)
- Newsletter (NL)
- Reimbursed Costs (EX)
- Merger/Acq. (ME)
- Exec Overview (EO)
- Conf/Seminar (CN)

DETAIL

Indicate US, UK, FR, VA	Prod. ID/Year	Item Type Code	Item Description or Title	Quantity	Price	Shipped By	Date
US	YA 3	YC	"Make to Order" MM" Data		$3,500		

Fulfillment to be completed in: ❑ Corporate ❑ London ❑ Virginia ❑ France ❑ Other _____

• White - Contract • Green - Fulfillment • Yellow - Invoice • Pink - Originator • Goldenrod - Sales Manager

M&S180 11/90

INPUT

PROJECT WORK STATEMENT

TITLE "Make to Order" Market Sizing

CLIENT Andersen

CONTRACT: ATTACHED ____ TO FOLLOW ____ LETTER ____ VERBAL X

PROJECT LEADER TR²/NP PROJECT CODE YA3

DATE STARTED Mar 1 PLANNED COMPLETION DATE Mar 8 83

LEVEL OF EFFORT(Professional Man Days) 2.0 2

DISTRIBU

CONTRACT FILE

LIBRARY FILE

NEW JERSEY

INPUT LTD.

Originator

TOTAL CONTRACT VALUE: $ or £ 3,500

REVENUE DISTRIBUTION (% or $) INPUT US 100 INPUT LTD ____

REIMBURSABLE EXPENSES: NO X

YES ____

SHEILA (Y&Z

BINDER COPY

EXP. BUDGET ____ TO COVER: TRAV: ____
TELE: ____
RPT. PREP.: ____
OTHER: ____

Date Typed

BILLING SCHEDULE DESCRIPTION ____

PROJECT DESCRIPTION Size portion of mfg mkt & also apertos to AS/400 & UNIX

INDICATE TYPE OF WORK: REPORT X PRESENTATION ____

THANK YOU PACKAGE: YES ____ NO X

ACCOUNTING USE ONLY: ENTERED ON CURRENT PROJECT LIST ____

INPUT

March 2, 1993

To: Lisa Lane, Andersen

From: Tom O'Flaherty, INPUT

Subject: "Make to Order" Market Numbers

As we agreed yesterday, I am putting down in writing my understanding as to what your requirements are and how we would meet them. Our target is Monday, March 8; this assumes approval today.

1. We would provide an estimate of the U.S. market size for industry-specific applications software products for 1992-97 for the "make to order" industry group.

This group is defined by SIC codes in the "A", "B" and "C" sheets titled "Expert Configurator Workshop". We would only deal with the totals for the A, B and C groups; we do not think it feasible to try to break this group out further, since even when combined the "Make to order group" criss-crosses so many SICs.

Our estimate would be broken out two ways:

- For all companies $50 million and above
- For companies more than $500 million. This group would be a surrogate for the "multinational" group you requested.

2. The figures above would be further broken out by AS/400,UNIX and "Other". ("Other" is the balancing figure so the figures crossfoot.)

3. The attached sketch shows how the numbers would be presented.

4. Our fee is $3,500.

U.S. Make to Order Industry Specific Software Market Product
($MM)

Co. Size	1992	1993	1994	1995	1996	1997
$50 - 499 MM						
• AS/400						
• UNIX						
• Other						
Total						
$500 MM + Over						
• AS/400						
• UNIX						
• Other						
Total						

INPUT

Atrium at Glenpointe, 400 Frank W. Burr Blvd., Teaneck, NJ 07666 (201) 801-0050
Fax (201) 801-0441

FAX TRANSMITTAL FORM

Date: March 8

Confidential: Y/N
Urgent: Y/N

To: Name: Lisa Lane

Tel./Location: 507-5553

Co.: Andersen

Page: 1 of 4

Fax No: 312-507-1043

File: Chron
Contact
Other:

From: Tom O'Herlehy

Subject: "Make to Order" MRT Data

Please call if you have any questions.

ADM 34105 1/92

!NPUT FORECAST OF ANDERSEN
"MAKE TO ORDER" SEGMENT REV. $50M - $499M

	1992 ($M)	1992 DIST.	1993 ($M)	1993 DIST.	1994 ($M)	1994 DIST.	1995 ($M)	1995 DIST.	1996 ($M)	1996 DIST.	1997 ($M)	1997 DIST.	CAGR 92-97
PLATFORM													
AS/400	40	12%	49	13%	60	14%	74	15%	91	15%	112	16%	23%
UNIX	60	18%	75	19%	93	21%	116	23%	144	24%	179	25%	24%
WINDOWS/NT	20	6%	29	8%	43	10%	64	13%	94	16%	139	19%	47%
OTHER	220	65%	232	60%	244	55%	256	50%	270	45%	284	40%	5%
TOTAL APPLICATION SOFTWARE	340	100%	385	100%	440	100%	510	100%	599	100%	714	100%	16%

INPUT FORECAST OF ANDERSEN
"MAKE TO ORDER" SEGMENT REV. OVER $500M

	1992 ($M)	1992 DIST.	1993 ($M)	1993 DIST.	1994 ($M)	1994 DIST.	1995 ($M)	1995 DIST.	1996 ($M)	1996 DIST.	1997 ($M)	1997 DIST.	CAGR 92-97
PLATFORM													
AS/400	15	10%	18	11%	22	12%	27	14%	33	15%	40	15%	22%
UNIX	20	13%	25	15%	31	17%	39	19%	48	21%	60	23%	25%
WINDOWS/NT	5	3%	8	5%	11	6%	17	9%	26	12%	40	15%	52%
OTHER	110	73%	112	69%	114	64%	116	58%	118	52%	120	46%	2%
TOTAL APPLICATION SOFTWARE	150	100%	163	100%	179	100%	199	100%	225	100%	260	100%	12%

INPUT FORECAST OF ANDERSEN
"MAKE TO ORDER" SEGMENT REV. OVER $50M

PLATFORM	1992 ($M)	1992 DIST	1993 ($M)	1993 DIST	1994 ($M)	1994 DIST	1995 ($M)	1995 DIST	1996 ($M)	1996 DIST	1997 ($M)	1997 DIST	CAGR 92-97
AS/400	55	11%	67	12%	83	13%	101	14%	124	15%	152	16%	23%
UNIX	80	16%	100	18%	124	20%	154	22%	192	23%	239	25%	24%
WINDOWS/NT	25	5%	37	7%	55	9%	81	11%	121	15%	179	18%	48%
OTHER	330	67%	343	63%	358	58%	372	52%	388	47%	404	41%	4%
TOTAL APPLICATION SOFTWARE	490	100%	547	100%	619	100%	709	100%	825	100%	974	100%	15%

INPUT FORECAST SEGMENTED BY
ANDERSEN INDUSTRIES REV. OVER $500M

SEGMENTATION	0.13 1991 ($M)	1992 ($M)	1993 ($M)	1994 ($M)	1995 ($M)	1996 ($M)	1997 ($M)	2000 ($M)	CAGR 92-97
OPERATING SYSTEM									
AS/400	6	7	8	9	10	12	14	16	15%
UNIX	60	68	77	88	101	116	135	157	15%
DOS-OS/2	9	10	11	13	15	17	20	23	15%
OTHER	34	39	44	50	58	67	77	90	15%
TOTAL APPLICATION SOFTWARE	109	123	140	159	184	212	246	286	15%

INPUT FORECAST SEGMENTED BY
ANDERSEN INDUSTRIES REV. $50M- $499M

SEGMENTATION	0.39	1991 ($M)	1992 ($M)	1993 ($M)	1994 ($M)	1995 ($M)	1996 ($M)	1997 ($M)	2000 ($M)	CAGR 92-97
OPERATING SYSTEM										
AS/400	0.055	18	20	23	26	30	35	41	47	15%
UNIX	0.550	180	204	231	263	303	349	406	471	15%
DOS-OS/2	0.080	26	30	34	38	44	51	59	69	15%
OTHER	0.315	103	117	132	151	173	200	232	270	15%
TOTAL APPLICATION SOFTWARE	1.000	327	370	421	478	551	635	738	857	15%

MEMORANDUM

DATE: February 2, 1993

TO: Lisa Lane, Andersen

FROM: Tom O'Flaherty

SUBJECT: Qualitative Research

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1. **A revised questionnaire is attached.** Most questions have been edited; in addition, question 4 in the prior version has been dropped and a new question 5 has been added.

2. **Methodology**

The two principal assumptions from my standpoint are

- It is important that U.S. and European results can be compared (i.e., similar questionnaires and samples)
- Each "cell" should contain at least 25 respondents (i.e., the minimum size for drawing statistically sound conclusions)

Company characteristics

- A sample of 50 companies in both the U.S. and Europe drawn evenly from Andersen's principal manufacturing and distribution segments
- The overall sample would be divided into companies between $50-500 MM and those over $500MM.
- Within each company interviews would be "paired" -- with an IS interview matched by an end user interview, where the end user was in a decisionmaking role. (In some companies users would not be worth interviewing; these would be balanced by multiple user interviews in other companies.) Essentially the same questionnaire would be used for IS and end users.

Interview Plan

For both the U.S. and Europe, there would be 100 interviews, spread over four "cells" large enough to draw conclusions from:

	Respondent Type		
Company Size ($MM)	**IS**	**User**	**Total**
$50-500	25	25	50
Over $500	25	25	50
Total	50	50	100

Limitations of Sample Size

- In both the U.S.and Europe, it will not be possible to make assessments on individual market segments within manufacturing due to samples sizes. (Additional interviewing could be done for specific segments; however, it would need a sample of roughly ten times larger to cover the industry breakouts to the same level as is being done on the quantitative side.)

- In Europe, the 50 companies interviewed would be spread over the 5 principal national markets. At ten interviews a country, it could not be possible to make any meaningful statements about country similarities or differences. Again, in order to do this would require expanding the sample by a factor or five. I don't think this is necessary at this time from an information content standpoint. However, is the country aspect important for "selling" the results internally at Andersen?

Other Issues

I still see telephone interviews as the best way to go from both a time and expense standpoint.

We can conduct the U.S. interviews in 2-3 weeks, with another week for analysis. I would suggest reviewing the data with interested parties at Andersen before preparing a formal report.

The European interviews would take a little longer, depending on the language mix.

I will give you exact times after we have reached agreement on the content and approach.

The additional level of interviewing proposed here would raise the overall price of the study from the previously-quoted $25,000 to about $29,000 (plus out of pocket expenses).

PROJECT WORK STATEMENT

TITLE "Make to Order" Market Sizing

CLIENT Andersen

CONTRACT: ATTACHED ____ TO FOLLOW ____ LETTER ____ VERBAL X

PROJECT LEADER TLR/NP PROJECT CODE YA3

DATE STARTED Mar 1 PLANNED COMPLETION DATE Mar 8 '83

LEVEL OF EFFORT(Professional Man Days) 2.2

TOTAL CONTRACT VALUE: $ or £ 3,500

REVENUE DISTRIBUTION (% or $) INPUT US 100 INPUT LTD ____

REIMBURSABLE EXPENSES: NO X

YES ____

EXP. BUDGET ____ TO COVER: TRAV: ____
TELE: ____
RPT. PREP.: ____
OTHER: ____

BILLING SCHEDULE DESCRIPTION ____

PROJECT DESCRIPTION Size portion of mfg mkt & also applies to AS/400 & UMX

INDICATE TYPE OF WORK: REPORT X PRESENTATION ____

THANK YOU PACKAGE: YES ____ NO X

ACCOUNTING USE ONLY: ENTERED ON CURRENT PROJECT LIST ____

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CONTRACT F

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Originator

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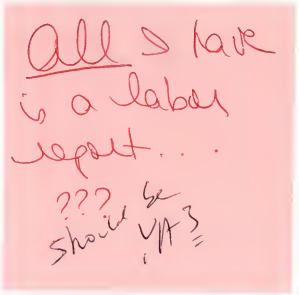
Date Typed

	Person Days							
	February				Year			
	Actual	ESMD	Accomplish	Plan	Actual	ESMD	Accomplish	Plan
100 O'Flaherty, Tom	0.3	0.3	0.3	0.0	0.3	0.3	0.3	0.0
20 Program Research	0.3	0.3	0.3	0.0	0.3	0.3	0.3	0.0
YA-4.. Custom - Andersen Consulting	0.3	0.3	0.3	0.0	0.3	0.3	0.3	0.0